

City of Rockville Environment Commission

Sustainable Development and Energy Committee (SDEC)

Meeting Minutes

Tuesday September 28, 2010

Diamondback Terrapin Room, City Hall

7:00 pm

1. Welcome / Agenda Review/ Minutes Adoption

The meeting was called to order at approximately 7:10 p.m.

In attendance from the SDEC: Tolu Odunlami, Lea Rosenbohm, and staff liaison Erica Shingara.

In attendance from the Rockville Chamber of Commerce: Jonathan Gritz (Tower Oaks).

2. Green Building Tax Credits (SDEC and RCC joint discussion)

Discussed outstanding issues related to the draft tax credit proposal.

- Last week staff presented the draft to the City Manager who had several good suggestions:
 - Clearly describe the scope of LEED-EB system and what type of projects it may involve. How does it differ from LEED-NC and what the City requires in the green building codes? *The Chamber will expand the description in the proposal.*
 - What disadvantages could be associated with this program? Aside from the upfront costs, there would be little disadvantages. In some cases existing cleaning, landscape management, and purchasing vendors would need to transition to greener practices in order to remain competitive.
 - If Montgomery County already offers a tax credit, why should Rockville duplicate the effort? Montgomery County's LEED-EB program does not provide adequate funding to broaden LEED-EB participation. Expanding on this program would provide additional funding to offset costs. This is especially important for small business owners, which are common in Rockville, because it is more costly per sq. ft. for smaller buildings to pursue LEED-EB.
- Outstanding items identified at the last meeting:
 - What is the average size of a Rockville office? Staff presented preliminary research from GIS property data that illustrates that over 70% of commercial and industrial buildings in Rockville are less than 50,000 square feet. This illustrates the importance of providing a funding incentive to help small businesses overcome the cost barrier associated with pursuing LEED-EB.
 - What are the cost estimates/ranges for LEED-EB Silver, Gold, and Platinum? There are various factors that are associated with achieving LEED-EB certification and therefore it is difficult to estimate costs for each level. However, the Chamber roughly estimated that at least \$150,000 might be needed to pursue basic certification (e.g., consultants, analysis, certification, building improvements).

- What type of job growth and local investment could result from a tax credit program? A 2009 study in the *Journal of Sustainable Real Estate* found that LEED-EB Gold and Silver properties have a positive and statistically significant effect on assessed value (AV) and market value (MV). LEED-EB properties at the Gold level are associated with a 77% increase in AV compared to other LEED properties, while LEED-EB at the Silver level are associated with a 118% increase in AV and a 95% increase in MV compared to the other LEED properties.
- Should the Chamber and SDEC propose a program that simply meets or exceeds Montgomery County's LEED for Existing (LEED-EB) tax credit program? The County currently provides larger incentives for new construction than existing buildings; the City could boost credits for existing building to create an exceptional program. Could present options to the M&C: 1) no program; 2) matching program; or 3) Exceptional program:
 - Matching program: Matches Montgomery County's program by providing 3 years of tax credits for buildings achieving official LEED-EB Silver (10%), Gold (25%), and Platinum (50%) certification from the Green Building Certification Institute. A potential annual cap of \$300,000 was suggested.
 - Exceptional program: Exceeds Montgomery County's program by providing 3 years of tax credits for buildings achieving official LEED-EB Silver (25%), Gold (50%), and Platinum (75%) certification from the Green Building Certification Institute.
- Next steps:
 - The Chamber will help refine the proposal for the Mayor and Council and staff will coordinate items to be included in the M&C agenda (LEED-EB checklist, introduction and background, etc.). The Chamber will present the bulk of the proposal with the support of the SDEC/Environment Commission.
 - Potential dates for presentation to the M&C: 10/25, 11/1, and 11/8. Given that materials are required to be submitted to the agenda up to 3 weeks in advance, 11/8 was suggested to allow for enough time to prepare. The refined proposal should be submitted to staff by 10/8.

3. US EPA's Green Power Community Challenge (SDEC and RCC joint discussion)

- EPA is kicking off a national, year-long campaign to encourage communities coast-to-coast to use renewable energy and fight climate change. The goal of the Green Power Community Challenge is to double the collective amount of green power used by EPA Green Power Communities (GPC). At the conclusion of the Challenge, the community that has the highest green power percentage and the community that uses the most kilowatt-hours (kWh) of green power will receive national recognition and special attention from EPA.
- To date, more than 30 cities and towns throughout the nation have partnered with EPA. Only 3 cities on the east coast have participated, including Brookeville, MD. Participating communities can reduce their carbon footprint, increase community pride, improve public health, and enhance community image.
- As a City with annual electricity use greater than 1 million kWh, Rockville would be required to:
 - 1) Join the Green Power Partnership and buy green power in amounts that meets or exceeds 10% of the government's annual electricity use.

- 2) Initiate a community-wide green power campaign to encourage local business to buy green power. The community must collectively purchase or produce green power in amounts that meet or exceeds 2% of the community's annual electricity use.
- 3) Sign the GPC Partnership agreements and agree to report on green power use annually.
- 4) Use the Green Power Partner mark in a manner that is consistent with guidelines.
- Members supported participation given that the program supports the City's sustainability and climate protection strategies; there is not a penalty for not meeting the goal; the City can opt out of the program at any time; there are minimal costs; and it provides positive national attention to the community.

4. Member News / Announcements / Upcoming Events

- None.

5. Wrap-up and Adjourn

Due to conflict with the ICC Final Action Hearings, need to reschedule next meeting: October 19 or November 9. Suggested 10/19 in order to meet before the M&C presentation. Staff will email group for consensus on next available date. The meeting was adjourned at approximately 8:00 pm.